

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER	<input type="checkbox"/>	DATE	<u>January 24, 2018</u>
MOTOR CARRIER MATTER	<input type="checkbox"/>	DOCKET NO.	<u>2017-2-E</u>
UTILITIES MATTER	<input checked="" type="checkbox"/>	ORDER NO.	<u>2018-55</u>

THIS DIRECTIVE SHALL SERVE AS THE COMMISSION'S ORDER ON THIS ISSUE.

SUBJECT:

DOCKET NO. 2017-2-E - Annual Review of Base Rates for Fuel Costs for South Carolina Electric & Gas Company - Staff Presents for Commission Consideration South Carolina Electric & Gas Company's Request for Waiver of Commission Order No. 2017-246 to Update Its PR-2 Rate Twice a Year.

COMMISSION ACTION:

We have this request from SCE&G to waive updating its PR-2 rate the second time this year. Office of Regulatory Staff doesn't oppose the request for the waiver, although South Carolina Solar Business Alliance, the Coastal Conservation League, and Southern Alliance for Clean Energy do oppose the waiver.

Current uncertainties with SCE&G make it appropriate to address this in the context of the fuel case in April. Since its last update, the company has added or contracted to add additional solar facilities to its resource plan, announced the abandonment of two units at V.C. Summer, and announced its intent to purchase the Columbia Energy Center. As a result, the company is still evaluating its resource plan, going forward, and does not believe it would be prudent to update its PR-2 rate, given the uncertainty driven by the events just listed. The company indicates that it is planning to implement changes to certain aspects of its avoided cost calculation. For example, the company intends to use an intermittent, non-dispatchable, source of capacity to perform its difference in revenue requirement analysis, which seems more appropriately considered in the annual fuel proceeding.

As a practical matter, any hearing in this matter, based on the request and the objections that we have, would have to be noticed and have time provided for intervention, discovery, and prefiled testimony. I believe that allowing this issue to be addressed in the fuel case, which is scheduled for hearing on April 10, 2018, would probably be heard quicker than if we proceeded on a separate track for this. I believe that promotes judicial economy and allows the issue to be addressed expeditiously.

One point the Coastal Conservation League made in its response was a request to require SCE&G to put that proposed rate in its prefiled testimony in the fuel proceeding, and I agree that we ought to require SCE&G to do that.

PRESIDING: Whitfield

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
BOCKMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

ELAM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
FLEMING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Absent</u>	Annual Leave
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
RANDALL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

(SEAL)

RECORDED BY: J. Schmieding

